

AMENDED IN ASSEMBLY JUNE 16, 2016

AMENDED IN SENATE MAY 31, 2016

AMENDED IN SENATE APRIL 27, 2016

AMENDED IN SENATE APRIL 12, 2016

AMENDED IN SENATE MARCH 29, 2016

SENATE BILL

No. 1222

Introduced by Senator Hertzberg

February 18, 2016

An act to amend Section 830.11 of the Penal Code, to add Section 25229 to, and to repeal Section 25403 of, the Public Resources Code, and to amend Sections 308.5, 309.7, 353.13, 353.15, 365.1, 454.1, 454.55, 454.56, 740.5, 846, 910.4, 913.2, ~~913.4, 913.5, 913.10,~~ 914.3, 918.1, 956, 958.5, 1046, 2870, 2872.5, 2892.1, ~~3368,~~ 5371.4, 5381.5, and 7661 of, *to amend and renumber Sections 913.4, 913.5, 913.7, 913.12, and 5436 of, to amend, renumber, and add Section 913.10 of,* to add Sections ~~380.3 and 913.14 to,~~ *to add and repeal Section 913.15 of, and Section 380.3 to,* to repeal Sections 318, 350, 747.5, 910.5, 910.6, 913.3, 913.6, ~~913.8, 913.9, 913.11,~~ 913.13, 918.2, 2714.5, 2827.3, 2845, 2867.1, 3346, and ~~2867.1~~ 3368 of, *to repeal and add Sections 913.8 and 913.11 of, and to repeal, add, and repeal Section 913.9 of,* the Public Utilities Code, relating to the Public Utilities Commission.

LEGISLATIVE COUNSEL'S DIGEST

SB 1222, as amended, Hertzberg. Public Utilities Commission: ~~reports:~~ *reports: financing orders.*

The California Constitution establishes the Public Utilities Commission (PUC), with jurisdiction over all public utilities. The

California Constitution grants the PUC certain general powers over all public utilities, subject to control by the Legislature, and authorizes the Legislature to confer additional authority and jurisdiction upon the PUC that is cognate and germane to the regulation of public utilities. Existing law requires the PUC to submit various reports to the Legislature, legislative committees, and the Governor, as specified.

This bill would change the date by which the PUC must submit specified reports, change the contents of specified reports, *renumber various codified reporting provisions*, reassign to the State Energy Resources Conservation and Development Commission (Energy Commission) the PUC's duty to prepare a specified report, and repeal the provisions requiring the PUC to submit specified reports. The bill would repeal a reporting requirement of electrical corporations and the PUC with respect to the 21st Century Energy System Decision, as defined. The bill would repeal a requirement that the PUC conduct a zero-based budget for all of its programs by January 10, 2015.

Existing law also requires the Legislative Counsel to annually prepare, publish, and maintain an electronic list of all reports that state and local agencies are required or requested by law to prepare and file with the Governor or the Legislature, or both, in the future or within the preceding year.

This bill would require the Legislative Counsel to revise the list by deleting specified reports from the list.

Existing law requires the Energy Commission to submit to the PUC and to any local publicly owned electric utility recommendations designed to reduce wasteful, unnecessary, or uneconomic energy consumption resulting from specified practices, including differential rate structures, cost-of-service allocations, the disallowance of a business expense of advertising or promotional activities that encourage the use of electricity, peakload pricing, and other pricing measures. Existing law requires the PUC and local publicly owned electric utilities to review and consider the recommendations of the Energy Commission and, within 6 months after the date they receive them, to report to the Governor and the Legislature their actions and reasons therefor with respect to each recommendation.

This bill would repeal these requirements.

Existing law relative to restructuring of the electrical industry authorizes an electrical corporation to apply to the commission for a determination that certain transition costs, as defined, may be recovered through fixed transition amounts, which would constitute transition

property, as defined, and provides, until December 31, 2016, for the issuance of financing orders and provides for the issuance of rate reduction bonds to be paid out of rates.

This bill would extend the authorization for the issuance of these financing orders from December 31, 2016, to June 30, 2022.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board (state board) as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. Existing law requires the state board to report to the Governor and the Legislature by December 31, 2011, on the reduction in emissions of greenhouse gases resulting from the increase of new electrical generation that utilizes excess waste heat through combined heat and power systems and recommend policies that further the goals of the Waste Heat and Carbon Emissions Reduction Act.

This bill would repeal this reporting requirement.

This bill would also make various ~~technical~~ *minor or nonsubstantive* changes, including, but not limited to, ~~changes to~~ *shifts in* the responsibilities of various divisions of the PUC.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known, and may be cited, as the
- 2 Public Utilities Commission Accountability *and Operations* Act
- 3 of 2016.
- 4 SEC. 2. *The Legislative Counsel shall revise the list required*
- 5 *by Section 10242.5 of the Government Code by deleting all of the*
- 6 *following Public Utilities Commission reports from the list:*
- 7 (a) *Description: Report on the energy efficiency and*
- 8 *conservation programs the commission oversees through the*
- 9 *California Board for Energy Efficiency*
- 10 *Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act*
- 11 *of 1999*
- 12 *Date Due: Beginning March 1, 2000, and by each December 1*
- 13 *thereafter*
- 14 *Recipient: Legislature*
- 15 (b) *Description: If the commission determines that allowing*
- 16 *electrical corporations to purchase from multiple qualified*

1 *exchanges is in the public interest, the commission shall submit*
2 *its findings and recommendations*
3 *Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act*
4 *of 2000.*
5 *Date Due: By June 1, 2001*
6 *Recipient: Legislature*
7 *(c) Description: Report that details the commission's backlog*
8 *of audits, including audits in progress but not yet completed*
9 *Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act*
10 *of 2002*
11 *Date Due: On or before September 1, 2002*
12 *Recipient: Joint Legislative Budget Committee and fiscal*
13 *committees of the Legislature*
14 *(d) Description: Report that lists all audits completed, pending,*
15 *and forthcoming at the commission*
16 *Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act*
17 *of 2002*
18 *Date Due: On or before December 15, 2002, and annually*
19 *thereafter*
20 *Recipient: Joint Legislative Budget Committee and fiscal*
21 *committees of the Legislature*
22 *(e) Description: Evaluation of the progress of the state's investor*
23 *owned electric utilities in complying with the Renewables Portfolio*
24 *Standard pursuant to Section 387 of the Public Utilities Code*
25 *Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act*
26 *of 2006*
27 *Date Due: On or before October 1, 2006, and quarterly thereafter*
28 *Recipient: Legislature*
29 *(f) Description: Report on the commission's efforts to produce*
30 *a review of the High-Cost Fund-B program, an update on its*
31 *proceedings, and its efforts to comply with the statutorily mandated*
32 *sunset of the program*
33 *Authority: Item 8660-001-0470 of Section 2.00 of the Budget Act*
34 *of 2007*
35 *Date Due: Quarterly*
36 *Recipient: Legislature*
37 *(g) Description: Establishment of a project management office*
38 *within the Information Services Branch of the Management*
39 *Services Division*

1 *Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act*
2 *of 2008*

3 *Date Due: On or before January 10, 2010*

4 *Recipient: Legislature Budget and fiscal committees of the*
5 *Legislature*

6 *(h) Description: Report on its activities related to community*
7 *choice aggregation that includes detailed information on the formal*
8 *procedures established by the commission in order to monitor and*
9 *ensure compliance by electrical corporations with Chapter 838,*
10 *Statutes of 2002*

11 *Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act*
12 *of 2010*

13 *Date Due: On or before January 31, 2011, and quarterly thereafter*

14 *Recipient: Fiscal and policy committees of the Legislature*

15 *(i) Description: Report on the outcomes of the various audits*
16 *that are performed by positions approved in the 2015–16 budget*

17 *Authority: Item 8660-001 of Section 2.00 of the Budget Act of 2015*
18 *(LAO)*

19 *Date Due: By April 15, 2016*

20 *Recipient: Appropriate budget subcommittees of the Legislature*

21 *(j) Description: Report on the number of cases where resolution*
22 *exceeded the time periods prescribed in scoping memos and the*
23 *days that commissioners presided in hearings*

24 *Authority: Section 13 of Chapter 856 of the Statutes of 1996*

25 *Date Due: January 1, 1999, and annually thereafter*

26 *Recipient: Legislature*

27 *(k) Description: Cost-effectiveness criteria for programs funded*
28 *in order to achieve a total reduction in peak electricity demand*
29 *and to meet the needs of low-income households*

30 *Authority: Section 5 of Chapter 7 of the Statutes of 2001, First*
31 *Extraordinary Session*

32 *Date Due: Within 10 days from the date of adoption of*
33 *cost-effectiveness criteria*

34 *Recipient: Governor, Joint Legislative Budget Committee, and*
35 *appropriate policy and fiscal committees of the Legislature*

36 *(l) Description: Changes made by Chapter 552 of the Statutes*
37 *of 2008 to Sections 688.020 and 688.030 of the Code of Civil*
38 *Procedure and to Section 2104 of the Public Utilities Code, as*
39 *they pertain to the status of the Public Utilities Commission as a*
40 *judgment creditor*

1 *Authority: Section 15 of Chapter 552 of the Statutes of 2008*
2 *Date Due: On or before January 1, 2013*
3 *Recipient: Assembly Committee on Judiciary and Senate Committee*
4 *on Judiciary*

5 *(m) Description: Results of a study to determine who benefits*
6 *from the net energy metering program and the extent to which*
7 *each class of ratepayers and each region of the state receiving*
8 *service under the net energy metering program is paying the full*
9 *cost of the services*

10 *Authority: Section 2827.1 of the Public Utilities Code*

11 *Date Due: Within 30 days of completion of the study*

12 *Recipient: Legislature*

13 *(n) Description: Evaluation of information supplied by electrical*
14 *corporations and gas corporations relative to their comparative*
15 *energy usage disclosure programs and any action undertaken by*
16 *the Public Utilities Commission in response to the evaluation*

17 *Authority: Section 715 of the Public Utilities Code*

18 *Date Due: None*

19 *Recipient: Legislature*

20 ~~SEC. 2.~~

21 *SEC. 3.* Section 830.11 of the Penal Code is amended to read:

22 830.11. (a) The following persons are not peace officers but
23 may exercise the powers of arrest of a peace officer as specified
24 in Section 836 and the power to serve warrants as specified in
25 Sections 1523 and 1530 during the course and within the scope of
26 their employment, if they receive a course in the exercise of those
27 powers pursuant to Section 832. The authority and powers of the
28 persons designated under this section shall extend to any place in
29 the state:

30 (1) Persons employed by the Department of Business Oversight
31 designated by the Commissioner of Business Oversight, provided
32 that the primary duty of these persons shall be the enforcement of,
33 and investigations relating to, the provisions of law administered
34 by the Commissioner of Business Oversight.

35 (2) Persons employed by the Bureau of Real Estate designated
36 by the Real Estate Commissioner, provided that the primary duty
37 of these persons shall be the enforcement of the laws set forth in
38 Part 1 (commencing with Section 10000) and Part 2 (commencing
39 with Section 11000) of Division 4 of the Business and Professions
40 Code. The Real Estate Commissioner may designate persons under

1 this section, who at the time of their designation, are assigned to
2 the Special Investigations Unit, internally known as the Crisis
3 Response Team.

4 (3) Persons employed by the State Lands Commission
5 designated by the executive officer, provided that the primary duty
6 of these persons shall be the enforcement of the law relating to the
7 duties of the State Lands Commission.

8 (4) Persons employed as investigators of the Investigations
9 Bureau of the Department of Insurance, who are designated by the
10 Chief of the Investigations Bureau, provided that the primary duty
11 of these persons shall be the enforcement of the Insurance Code
12 and other laws relating to persons and businesses, licensed and
13 unlicensed by the Department of Insurance, who are engaged in
14 the business of insurance.

15 (5) Persons employed as investigators *and investigator*
16 *supervisors* by the Public Utilities Commission, who are designated
17 by the commission's executive director and approved by the
18 commission, ~~and their supervisors up to the director level~~, provided
19 that the primary duty of these persons shall be the enforcement of
20 the law as that duty is set forth in Section 308.5 of the Public
21 Utilities Code.

22 (6) (A) Persons employed by the State Board of Equalization,
23 Investigations Division, who are designated by the board's
24 executive director, provided that the primary duty of these persons
25 shall be the enforcement of laws administered by the State Board
26 of Equalization.

27 (B) Persons designated pursuant to this paragraph are not entitled
28 to peace officer retirement benefits.

29 (7) Persons employed by the Department of Food and
30 Agriculture and designated by the Secretary of Food and
31 Agriculture as investigators, investigator supervisors, and
32 investigator managers, provided that the primary duty of these
33 persons shall be enforcement of, and investigations relating to, the
34 Food and Agricultural Code or Division 5 (commencing with
35 Section 12001) of the Business and Professions Code.

36 (8) The Inspector General and those employees of the Office
37 of the Inspector General as designated by the Inspector General,
38 provided that the primary duty of those persons shall be the
39 enforcement of the law relating to the duties of the Office of the
40 Inspector General.

(b) Notwithstanding any other provision of law, persons designated pursuant to this section may not carry firearms.

(c) Persons designated pursuant to this section shall be included as “peace officers of the state” under paragraph (2) of subdivision (c) of Section 11105 for the purpose of receiving state summary criminal history information and shall be furnished that information on the same basis as peace officers of the state designated in paragraph (2) of subdivision (c) of Section 11105.

~~SEC. 3.~~

SEC. 4. Section 25229 is added to the Public Resources Code, to read:

25229. The commission shall report annually on its efforts to identify electrical or gas corporation ratepayer-funded energy efficiency programs that are similar to programs that are administered by the Public Utilities Commission, the State Air Resources Board, the California Alternative Energy and Advanced Transportation Financing Authority, the California Infrastructure and Economic Development Bank, the Department of Community Services and Development, or the commission. The commission shall make recommendations to the Public Utilities Commission to revise the ratepayer-funded energy efficiency programs, as necessary, to ensure that the programs complement and do not duplicate similar programs administered by a state agency described in this section.

~~SEC. 4.~~

SEC. 5. Section 25403 of the Public Resources Code is repealed.

~~SEC. 5.~~

SEC. 6. Section 308.5 of the Public Utilities Code is amended to read:

308.5. Persons employed as investigators *and investigator supervisors* by the commission, who are designated by the commission’s executive director and approved by the commission, ~~and their supervisors up to the director level,~~ have the authority of peace officers, as specified in paragraph (5) of subdivision (a) of Section 830.11 of the Penal Code, while engaged in exercising the powers granted to or performing the duties imposed upon them in investigating the laws, orders, or regulations administered by the commission or commencing directly or indirectly any criminal prosecution arising from any investigation conducted under these

1 laws. All persons herein referred to shall be deemed to be acting
2 within the scope of employment with respect to all acts and matters
3 set forth in this section.

4 ~~SEC. 6.~~

5 *SEC. 7.* Section 309.7 of the Public Utilities Code is amended
6 to read:

7 309.7. (a) The division of the commission responsible for
8 railroad safety shall be responsible for inspection, surveillance,
9 and investigation of the rights-of-way, facilities, equipment, and
10 operations of railroads and public mass transit guideways, and for
11 enforcing state and federal laws, regulations, orders, and directives
12 relating to transportation of persons or commodities, or both, of
13 any nature or description by rail. The division of the commission
14 responsible for railroad safety shall advise the commission on all
15 matters relating to rail safety, and shall propose to the commission
16 rules, regulations, orders, and other measures necessary to reduce
17 the dangers caused by unsafe conditions on the railroads of the
18 state. The delegation of enforcement responsibility to the division
19 of the commission responsible for railroad safety shall not diminish
20 the power of other agencies of state government to enforce laws
21 relating to employee or environmental safety, pollution prevention,
22 or public health and safety.

23 (b) In performing its duties, the division of the commission
24 responsible for railroad safety shall exercise all powers of
25 investigation granted to the commission, including rights to enter
26 upon land or facilities, inspect books and records, and compel
27 testimony. The commission shall employ sufficient federally
28 certified inspectors to ensure at the time of inspection that railroad
29 locomotives and equipment and facilities located in class I railroad
30 yards in California are inspected not less frequently than every
31 180 days, and all main and branch line tracks are inspected not
32 less frequently than every 12 months. In performing its duties, the
33 division of the commission responsible for railroad safety shall
34 consult with representatives of railroad corporations, labor
35 organizations representing railroad employees, and the Federal
36 Railroad Administration.

37 (c) The general counsel shall assign to the division of the
38 commission responsible for railroad safety the personnel and
39 attorneys necessary to fully utilize the powers granted to the
40 commission by any state law and by any federal law relating to

1 rail transportation, to enforce safety laws, rules, regulations, and
2 orders, and to collect fines and penalties resulting from the
3 violation of any safety rule or regulation.

4 (d) The activities of the division of the commission responsible
5 for railroad safety that relate to safe operation of common carriers
6 by rail, other than those relating to grade crossing protection, shall
7 also be supported by the fees paid by railroad corporations, if any,
8 pursuant to Sections 421 to 424, inclusive. The activities of the
9 division of the commission responsible for railroad safety that
10 relate to grade crossing protection shall be supported by funds
11 appropriated therefor from the State Highway Account in the State
12 Transportation Fund.

13 ~~SEC. 7.~~

14 *SEC. 8.* Section 318 of the Public Utilities Code is repealed.

15 ~~SEC. 8.~~

16 *SEC. 9.* Section 350 of the Public Utilities Code is repealed.

17 ~~SEC. 9.~~

18 *SEC. 10.* Section 353.13 of the Public Utilities Code is amended
19 to read:

20 353.13. (a) The commission shall require each electrical
21 corporation to establish new tariffs on or before January 1, 2003,
22 for customers using distributed energy resources, including, but
23 not limited to, those that do not meet all of the criteria described
24 in Section 353.1. However, after January 1, 2003, distributed
25 energy resources that meet all of the criteria described in Section
26 353.1 shall continue to be subject only to those tariffs in existence
27 pursuant to Section 353.3, until June 1, 2011, except that
28 installations that do not operate in a combined heat and power
29 application will be subject to those tariffs in existence pursuant to
30 Section 353.3 only until June 1, 2006. Those tariffs required
31 pursuant to this section shall ensure that all net distribution costs
32 incurred to serve each customer class, taking into account the actual
33 costs and benefits of distributed energy resources, proportional to
34 each customer class, as determined by the commission, are fully
35 recovered only from that class. The commission shall require each
36 electrical corporation, in establishing those rates, to ensure that
37 customers with similar load profiles within a customer class will,
38 to the extent practicable, be subject to the same utility rates,
39 regardless of their use of distributed energy resources to serve
40 onsite loads or over-the-fence transactions allowed under Sections

1 216 and 218. Customers with dedicated facilities shall remain
2 responsible for their obligations regarding payment for those
3 facilities.

4 (b) In establishing the tariffs, the commission shall consider
5 coincident peakload, and the reliability of the onsite generation,
6 as determined by the frequency and duration of outages, so that
7 customers with more reliable onsite generation and those that
8 reduce peak demand pay a lower cost-based rate.

9 ~~SEC. 10.~~

10 *SEC. 11.* Section 353.15 of the Public Utilities Code is amended
11 to read:

12 353.15. (a) In order to evaluate the efficiency, emissions, and
13 reliability of distributed energy resources with a capacity greater
14 than 10 kilowatts, customers that install those resources pursuant
15 to this article shall report to the commission, on an annual basis,
16 all of the following information, as recorded on a monthly basis:

17 (1) Heat rate for the resource.

18 (2) Total kilowatthours produced in the peak and off-peak
19 periods, as determined by the ISO.

20 (3) Emissions data for the resource, as required by the State Air
21 Resources Board or the appropriate air quality management district
22 or air pollution control district.

23 (b) The commission shall release the information submitted
24 pursuant to subdivision (a) in a manner that does not identify the
25 individual user of the distributed energy resource.

26 *SEC. 12.* *Section 365.1 of the Public Utilities Code is amended*
27 *to read:*

28 365.1. (a) Except as expressly authorized by this section, and
29 subject to the limitations in subdivisions (b) and (c), the right of
30 retail end-use customers pursuant to this chapter to acquire service
31 from other providers is suspended until the Legislature, by statute,
32 lifts the suspension or otherwise authorizes direct transactions. For
33 purposes of this section, “other provider” means any person,
34 corporation, or other entity that is authorized to provide electric
35 service within the service territory of an electrical corporation
36 pursuant to this chapter, and includes an aggregator, broker, or
37 marketer, as defined in Section 331, and an electric service
38 provider, as defined in Section 218.3. “Other provider” does not
39 include a community choice aggregator, as defined in Section
40 331.1, and the limitations in this section do not apply to the sale

1 of electricity by “other providers” to a community choice
2 aggregator for resale to community choice aggregation electricity
3 consumers pursuant to Section 366.2.

4 (b) The commission shall allow individual retail nonresidential
5 end-use customers to acquire electric service from other providers
6 in each electrical corporation’s distribution service territory, up to
7 a maximum allowable total kilowatthours annual limit. The
8 maximum allowable annual limit shall be established by the
9 commission for each electrical corporation at the maximum total
10 kilowatthours supplied by all other providers to distribution
11 customers of that electrical corporation during any sequential
12 12-month period between April 1, 1998, and the effective date of
13 this section. Within six months of the effective date of this section,
14 or by July 1, 2010, whichever is sooner, the commission shall
15 adopt and implement a reopening schedule that commences
16 immediately and will phase in the allowable amount of increased
17 kilowatthours over a period of not less than three years, and not
18 more than five years, raising the allowable limit of kilowatthours
19 supplied by other providers in each electrical corporation’s
20 distribution service territory from the number of kilowatthours
21 provided by other providers as of the effective date of this section,
22 to the maximum allowable annual limit for that electrical
23 corporation’s distribution service territory. The commission shall
24 review and, if appropriate, modify its currently effective rules
25 governing direct transactions, but that review shall not delay the
26 start of the phase-in schedule.

27 (c) Once the commission has authorized additional direct
28 transactions pursuant to subdivision (b), it shall do both of the
29 following:

30 (1) Ensure that other providers are subject to the same
31 requirements that are applicable to the state’s three largest electrical
32 corporations under any programs or rules adopted by the
33 commission to implement the resource adequacy provisions of
34 Section 380, the renewables portfolio standard provisions of Article
35 16 (commencing with Section 399.11), and the requirements for
36 the electricity sector adopted by the State Air Resources Board
37 pursuant to the California Global Warming Solutions Act of 2006
38 (Division 25.5 (commencing with Section 38500) of the Health
39 and Safety Code). This requirement applies notwithstanding any
40 prior decision of the commission to the contrary.

1 (2) (A) Ensure that, in the event that the commission authorizes,
2 in the situation of a contract with a third party, or orders, in the
3 situation of utility-owned generation, an electrical corporation to
4 obtain generation resources that the commission determines are
5 needed to meet system or local area reliability needs for the benefit
6 of all customers in the electrical corporation's distribution service
7 territory, the net capacity costs of those generation resources are
8 allocated on a fully nonbypassable basis consistent with departing
9 load provisions as determined by the commission, to all of the
10 following:

- 11 (i) Bundled service customers of the electrical corporation.
- 12 (ii) Customers that purchase electricity through a direct
- 13 transaction with other providers.
- 14 (iii) Customers of community choice aggregators.

15 (B) If the commission authorizes or orders an electrical
16 corporation to obtain generation resources pursuant to subparagraph
17 (A), the commission shall ensure that those resources meet a system
18 or local reliability need in a manner that benefits all customers of
19 the electrical corporation. The commission shall allocate the costs
20 of those generation resources to ratepayers in a manner that is fair
21 and equitable to all customers, whether they receive electric service
22 from the electrical corporation, a community choice aggregator,
23 or an electric service provider.

24 (C) The resource adequacy benefits of generation resources
25 acquired by an electrical corporation pursuant to subparagraph (A)
26 shall be allocated to all customers who pay their net capacity costs.
27 Net capacity costs shall be determined by subtracting the energy
28 and ancillary services value of the resource from the total costs
29 paid by the electrical corporation pursuant to a contract with a
30 third party or the annual revenue requirement for the resource if
31 the electrical corporation directly owns the resource. An energy
32 auction shall not be required as a condition for applying this
33 allocation, but may be allowed as a means to establish the energy
34 and ancillary services value of the resource for purposes of
35 determining the net costs of capacity to be recovered from
36 customers pursuant to this paragraph, and the allocation of the net
37 capacity costs of contracts with third parties shall be allowed for
38 the terms of those contracts.

39 (D) It is the intent of the Legislature, in enacting this paragraph,
40 to provide additional guidance to the commission with respect to

1 the implementation of subdivision (g) of Section 380, as well as
2 to ensure that the customers to whom the net costs and benefits of
3 capacity are allocated are not required to pay for the cost of
4 electricity they do not consume.

5 (d) (1) If the commission approves a centralized resource
6 adequacy mechanism pursuant to subdivisions (h) and (i) of Section
7 380, upon the implementation of the centralized resource adequacy
8 mechanism the requirements of paragraph (2) of subdivision (c)
9 shall be suspended. If the commission later orders that electrical
10 corporations cease procuring capacity through a centralized
11 resource adequacy mechanism, the requirements of paragraph (2)
12 of subdivision (c) shall again apply.

13 (2) If the use of a centralized resource adequacy mechanism is
14 authorized by the commission and has been implemented as set
15 forth in paragraph (1), the net capacity costs of generation resources
16 that the commission determines are required to meet urgent system
17 or urgent local grid reliability needs, and that the commission
18 authorizes to be procured outside of the Section 380 or Section
19 454.5 processes, shall be recovered according to the provisions of
20 paragraph (2) of subdivision (c).

21 (3) Nothing in this subdivision supplants the resource adequacy
22 requirements of Section 380 or the resource procurement
23 procedures established in Section 454.5.

24 ~~(e) The commission may report to the Legislature on the efficacy~~
25 ~~of authorizing individual retail end-use residential customers to~~
26 ~~enter into direct transactions, including appropriate consumer~~
27 ~~protections.~~

28 ~~SEC. 11.~~

29 *SEC. 13.* Section 380.3 is added to the Public Utilities Code,
30 to read:

31 380.3. The commission shall consider the Energy
32 Commission's recommendations made pursuant to Section 25229
33 of the Public Resources Code in determining whether to revise its
34 ratepayer-funded energy efficiency programs.

35 ~~SEC. 12.~~

36 *SEC. 14.* Section 454.1 of the Public Utilities Code is amended
37 to read:

38 454.1. (a) Except as provided in subdivision (b), if a customer
39 with a maximum peak electrical demand in excess of 20 kilowatts
40 located or planning to locate within the service territory of an

1 electrical corporation receives a bona fide offer for electric service
2 from an irrigation district at rates less than the electrical
3 corporation's tariffed rates, the electrical corporation may discount
4 its noncommodity rates, but may not discount its noncommodity
5 rates below its distribution marginal cost of serving that customer.
6 For purposes of this subdivision, the costs of the electric
7 commodity shall be excluded from both the irrigation district and
8 electric corporation's rates. The electrical corporation may recover
9 any difference between its tariffed and discounted service from its
10 remaining customers, allocated as determined by the commission.
11 However, the reallocation may not increase rates to its remaining
12 customers by any greater amount than the rates would be increased
13 if the customer had taken electric distribution service from the
14 irrigation district and the irrigation district had paid the charge
15 established in subdivision (e) of Section 9607. Further, there shall
16 be a firewall preventing the reallocation of such differences
17 resulting from discounting to residential customers or to
18 commercial customers with maximum peak demands not in excess
19 of 20 kilowatts.

20 (b) Subdivision (a) does not apply to a cumulative 75 megawatts
21 of load served by the Merced Irrigation District, determined as
22 follows:

23 (1) The load is located within the boundaries of Merced
24 Irrigation District, as those boundaries existed on December 20,
25 1995, together with the territory of Castle Air Force Base which
26 was located outside the district on that date.

27 (2) For purposes of this section, a megawatt of load shall be
28 calculated in accordance with the methodology established by the
29 Energy Commission in its Docket No. 96-IRR-1890.

30 (c) Subdivision (a) applies to the load of customers that move
31 to the areas described in paragraph (1) of subdivision (b) after
32 December 31, 2000, and such load shall be excluded from the
33 calculation of the 75 megawatts in subdivision (b).

34 (d) If an electrical corporation seeks to apply the discounts
35 permitted under subdivision (a) within the geographic area
36 described in subdivision (b) of Section 9610, the electrical
37 corporation's resulting rate for distribution service may not be less
38 than 120 percent of the electrical corporation's marginal
39 distribution cost of serving that customer.

1 *SEC. 15. Section 454.55 of the Public Utilities Code is amended*
2 *to read:*

3 454.55. (a) (1) The commission, in consultation with the
4 Energy Commission, shall identify all potentially achievable
5 cost-effective electricity efficiency savings and establish efficiency
6 targets for an electrical corporation to achieve, pursuant to Section
7 454.5, consistent with the targets established pursuant to
8 subdivision (c) of Section 25310 of the Public Resources Code.

9 ~~(1)~~

10 (2) By July 1, 2018, and every four years thereafter, each
11 electrical corporation shall report on its progress toward achieving
12 the targets established pursuant to subdivision (a).

13 ~~(2) By July 1, 2019, and every four years thereafter, the~~
14 ~~commission shall, pursuant to Section 9795 of the Government~~
15 ~~Code, report to the Legislature on the progress toward achieving~~
16 ~~the targets established pursuant to subdivision (a). The commission~~
17 ~~shall include specific strategies for, and an update on, progress~~
18 ~~toward maximizing the contribution of electricity efficiency savings~~
19 ~~in disadvantaged communities identified pursuant to Section 39711~~
20 ~~of the Health and Safety Code.~~

21 (b) (1) By December 31, 2023, the commission shall, in a new
22 or existing proceeding, undertake a comprehensive review of the
23 feasibility, costs, barriers, and benefits of achieving a cumulative
24 doubling of energy efficiency savings and demand reduction by
25 2030 pursuant to subdivision (c) of Section 25310 of the Public
26 Resources Code.

27 (2) Notwithstanding subdivision (c) of Section 25310 of the
28 Public Resources Code, if the commission concludes the targets
29 established for electrical corporations to achieve pursuant to
30 subdivision (a) are not cost effective, feasible, or pose potential
31 adverse impacts to public health and safety, the commission shall
32 revise the targets to the level that optimizes the amount of energy
33 efficiency savings and demand reduction and shall modify, revise,
34 or update its policies as needed to address barriers preventing
35 achievement of those targets.

36 *SEC. 16. Section 454.56 of the Public Utilities Code is amended*
37 *to read:*

38 454.56. (a) The commission, in consultation with the Energy
39 Commission, shall identify all potentially achievable cost-effective
40 natural gas efficiency savings and establish efficiency targets for

1 the gas corporation to achieve, consistent with the targets
2 established pursuant to subdivision (c) of Section 25310 of the
3 Public Resources Code.

4 (b) A gas corporation shall first meet its unmet resource needs
5 through all available natural gas efficiency and demand reduction
6 resources that are cost effective, reliable, and feasible.

7 (c) By July 1, 2018, and every four years thereafter, each gas
8 corporation shall report on its progress toward achieving the targets
9 established pursuant to subdivision (a).

10 ~~(d) By July 1, 2019, and every four years thereafter, the~~
11 ~~commission shall, pursuant to Section 9795 of the Government~~
12 ~~Code, report to the Legislature on the progress toward achieving~~
13 ~~the targets establish pursuant to subdivision (a). The commission~~
14 ~~shall include specific strategies for, and an update on, progress~~
15 ~~toward maximizing the contribution of energy efficiency savings~~
16 ~~in disadvantaged communities identified pursuant to Section 39711~~
17 ~~of the Health and Safety Code.~~

18 (e)

19 (d) Notwithstanding subdivision (c) of Section 25310 of the
20 Public Resources Code, if the commission concludes in its review
21 pursuant to paragraph (1) of subdivision (b) of Section 454.55 that
22 the targets established for gas corporations to achieve pursuant to
23 subdivision (a) are not cost effective, feasible, or pose potential
24 adverse impacts to public health and safety, the commission shall
25 revise the targets to the level that maximizes the amount of energy
26 efficiency savings and demand reduction and shall modify, revise,
27 or update its policies as needed to address barriers preventing
28 achievement of those targets.

29 ~~SEC. 13.~~

30 *SEC. 17.* Section 740.5 of the Public Utilities Code is amended
31 to read:

32 740.5. (a) For purposes of this section, “21st Century Energy
33 System Decision” means commission Decision 12-12-031
34 (December 20, 2012), Decision Granting Authority to Enter Into
35 a Research and Development Agreement with Lawrence Livermore
36 National Laboratory for 21st Century Energy Systems and for
37 costs up to one hundred fifty-two million one hundred ninety
38 thousand dollars (\$152,190,000) or any subsequent decision in
39 Application 11-07-008 (July 18, 2011), Application of Pacific Gas
40 and Electric Company (U39M), San Diego Gas and Electric

1 Company (U902E), and Southern California Edison Company
2 (U338E) for Authority to Increase Electric Rates and Charges to
3 Recover Costs of Research and Development Agreement with
4 Lawrence Livermore National Laboratory for 21st Century Energy
5 Systems.

6 (b) In implementing the 21st Century Energy System Decision,
7 the commission shall not authorize recovery from ratepayers of
8 any expense for research and development projects that are not
9 for purposes of cyber security and grid integration. Total funding
10 for research and development projects for purposes of cyber
11 security and grid integration pursuant to the 21st Century Energy
12 System Decision shall not exceed thirty-five million dollars
13 (\$35,000,000). All cyber security and grid integration research
14 and development projects shall be concluded by the fifth
15 anniversary of their start date.

16 (c) The commission shall not approve for recovery from
17 ratepayers those program management expenditures proposed,
18 commencing with page seven, in the joint advice letter filed by
19 the state's three largest electrical corporations, Advice
20 3379-G/4215-E (Pacific Gas and Electric Company), Advice
21 2887-E (Southern California Edison Company), and Advice 2473-E
22 (San Diego Gas and Electric Company), dated April 19, 2013.
23 Project managers for the 21st Century Energy System Decision
24 shall be limited to three representatives, one representative each
25 from Pacific Gas and Electric Company, Southern California
26 Edison Company, and San Diego Gas and Electric Company.

27 (d) The commission shall require the Lawrence Livermore
28 National Laboratory, as a condition for entering into any contract
29 pursuant to the 21st Century Energy System Decision, and Pacific
30 Gas and Electric Company, Southern California Edison Company,
31 and San Diego Gas and Electric Company to ensure that research
32 parameters reflect a new contribution to cyber security and that
33 there not be a duplication of research being done by other private
34 and governmental entities.

35 ~~SEC. 14.~~

36 *SEC. 18.* Section 747.5 of the Public Utilities Code is repealed.

37 *SEC. 19.* *Section 846 of the Public Utilities Code is amended*
38 *to read:*

39 846. The authority of the commission to issue financing orders
40 pursuant to Section 841 shall expire on ~~December 31, 2016.~~ *June*

30, 2022. The expiration of the authority shall have no effect upon financing orders adopted by the commission pursuant to this article or any transition property arising therefrom, or upon the charges authorized to be levied thereunder, or the rights, interests, and obligations of the electrical corporation or a financing entity or holders of transition bonds pursuant to the financing order, or the authority of the commission to monitor, supervise, or take further action with respect to the order in accordance with the terms of this article and of the order.

~~SEC. 15.~~

SEC. 20. Section 910.4 of the Public Utilities Code is amended to read:

910.4. By February 1 of each year, the commission shall report to the Joint Legislative Budget Committee and appropriate fiscal and policy committees of the Legislature, on all sources and amounts of funding and actual and proposed expenditures, both in the two prior fiscal years and for the proposed fiscal year, including any costs to ratepayers, related to both of the following:

(a) Entities or programs established by the commission by order, decision, motion, settlement, or other action, including, but not limited to, the California Clean Energy Fund, the California Emerging Technology Fund, and the Pacific Forest and Watershed Lands Stewardship Council. The report shall contain descriptions of relevant issues, including, but not limited to, all of the following:

(1) Any governance structure established for an entity or program.

(2) Any staff or employees hired by or for the entity or program and their salaries and expenses.

(3) Any staff or employees transferred or loaned internally or interdepartmentally for the entity or program and their salaries and expenses.

(4) Any contracts entered into by the entity or program, the funding sources for those contracts, and the legislative authority under which the commission entered into the contract.

(5) The public process and oversight governing the entity or program's activities.

(b) Entities or programs established by the commission, other than those expressly authorized by statute, under the following sections:

(1) Section 379.6.

1 (2) Section 399.8.

2 (3) Section 739.1.

3 (4) Section 2790.

4 (5) Section 2851.

5 ~~SEC. 16.~~

6 ~~SEC. 21.~~ Section 910.5 of the Public Utilities Code is repealed.

7 ~~SEC. 17.~~

8 ~~SEC. 22.~~ Section 910.6 of the Public Utilities Code is repealed.

9 ~~SEC. 18.~~

10 ~~SEC. 23.~~ Section 913.2 of the Public Utilities Code is amended
11 to read:

12 913.2. By February 1 of each year, the commission shall report
13 to the Governor and the Legislature on the commission's
14 recommendations for a smart grid, the plans and deployment of
15 smart grid technologies by the state's electrical corporations, and
16 the costs and benefits to ratepayers.

17 ~~SEC. 19.~~

18 ~~SEC. 24.~~ Section 913.3 of the Public Utilities Code is repealed.

19 ~~SEC. 20.~~

20 ~~SEC. 25.~~ Section 913.4 of the Public Utilities Code is amended
21 *and renumbered* to read:

22 913.4.

23 913.3. (a) Notwithstanding subdivision (g) of Section 454.5
24 and Section 583, no later than May 1 of each year, the commission
25 shall release to the Legislature for the preceding calendar year the
26 costs of all electricity procurement contracts for eligible renewable
27 energy resources, including unbundled renewable energy credits,
28 and all costs for utility-owned generation approved by the
29 commission.

30 (1) For power purchase contracts, the commission shall release
31 costs in an aggregated form categorized according to the year the
32 procurement transaction was approved by the commission, the
33 eligible renewable energy resource type, including bundled
34 renewable energy credits, the average executed contract price, and
35 average actual recorded costs for each kilowatthour of production.
36 Within each renewable energy resource type, the commission shall
37 provide aggregated costs for different project size thresholds.

38 (2) For each utility-owned renewable generation project, the
39 commission shall release the costs forecast by the electrical
40 corporation at the time of initial approval and the actual recorded

1 costs for each kilowatthour of production during the preceding
2 calendar year.

3 (b) The commission shall report all electrical corporation
4 revenue requirement increases associated with meeting the
5 renewables portfolio standard, as defined in Section 399.12,
6 including direct procurement costs for eligible renewable energy
7 resources and renewable energy credits.

8 (c) The commission shall report all cost savings experienced,
9 or costs avoided, by electrical corporations as a result of meeting
10 the renewables portfolio standard.

11 (d) This section does not require the release of the terms of any
12 individual electricity procurement contracts for eligible renewable
13 energy resources, including unbundled renewable energy credits,
14 approved by the commission. The commission shall aggregate
15 data to the extent required to ensure protection of the confidentiality
16 of individual contract costs even if this aggregation requires
17 grouping contracts of different energy resource type. The
18 commission shall not be required to release the data in any year
19 when there are fewer than three contracts approved.

20 ~~SEC. 21:~~

21 *SEC. 26.* Section 913.5 of the Public Utilities Code is amended
22 *and renumbered* to read:

23 ~~913.5:~~

24 *913.4.* In order to evaluate the progress of the state's electrical
25 corporations in complying with the California Renewables Portfolio
26 Standard Program (Article 16 (commencing with Section 399.11)
27 of Chapter 2.3), the commission shall report to the Legislature no
28 later than November 1 of each year on all of the following:

29 (a) The progress and status of procurement activities by each
30 retail seller pursuant to the California Renewables Portfolio
31 Standard Program.

32 (b) For each electrical corporation, an implementation schedule
33 to achieve the renewables portfolio standard procurement
34 requirements, including all substantive actions that have been taken
35 or will be taken to achieve the program procurement requirements.

36 (c) The projected ability of each electrical corporation to meet
37 the renewables portfolio standard procurement requirements under
38 the cost limitations in subdivisions (c) and (d) of Section 399.15
39 and any recommendations for revisions of those cost limitations.

(d) Any renewable energy procurement plan approved by the commission pursuant to Section 399.13, schedule, and status report for all substantive procurement, transmission development, and other activities that the commission has approved to be undertaken by an electrical corporation to achieve the procurement requirements of the renewables portfolio standard.

(e) Any barriers to, and policy recommendations for, achieving the renewables portfolio standard pursuant to the California Renewables Portfolio Standard Program.

(f) The efforts each electrical corporation is taking to recruit and train employees to ensure an adequately trained and available workforce, including the number of new employees hired by the electrical corporation for purposes of implementing the requirements of Article 16 (commencing with Section 399.11) of Chapter 2.3, the goals adopted by the electrical corporation for increasing women, minority, and disabled veterans trained or hired for purposes of implementing the requirements of Article 16 (commencing with Section 399.11) of Chapter 2.3, and, to the extent information is available, the number of new employees hired and the number of women, minority, and disabled veterans trained or hired by persons or corporations owning or operating eligible renewable energy resources under contract with an electrical corporation. This subdivision does not provide the commission with authority to engage in, regulate, or expand its authority to include, workforce recruitment or training.

~~SEC. 22.~~

SEC. 27. Section 913.6 of the Public Utilities Code is repealed.

SEC. 28. *Section 913.7 of the Public Utilities Code is amended and renumbered to read:*

~~913.7.~~

913.5. The commission shall submit a report to the Legislature by July 15, 2009, and triennially thereafter, on the energy efficiency and conservation programs it oversees. The report shall include information regarding authorized utility budgets and expenditures and projected and actual energy savings over the program cycle.

~~SEC. 23.~~

SEC. 29. Section 913.8 of the Public Utilities Code is repealed.

SEC. 30. *Section 913.8 is added to the Public Utilities Code, to read:*

913.8. On or before July 30, 2020, and by July 30 of every third year thereafter through 2029, the commission shall submit to the Legislature an assessment of the Multifamily Affordable Housing Solar Roofs Program. That assessment shall include the number of qualified multifamily affordable housing property sites that have a qualifying solar energy system for which an award was made pursuant to Chapter 9.5 (commencing with Section 2870) of Part 2 and the dollar value of the award, the electrical generating capacity of the qualifying renewable energy system, the bill reduction outcomes of the program for the participants, the cost of the program, the total electrical system benefits, the environmental benefits, the progress made toward reaching the goals of the program, the program's impact on the CARE program budget, and the recommendations for improving the program to meet its goals. The report shall include an analysis of pending program commitments, reservations, obligations, and projected demands for the program to determine whether future ongoing funding allocations for the program are substantiated. The report shall also include a summary of the other programs intended to benefit disadvantaged communities, including, but not limited to, the Single-Family Affordable Solar Homes Program, the Multifamily Affordable Solar Housing Program, and the Green Tariff Shared Renewables Program (Chapter 7.6 (commencing with Section 2831) of Part 2).

~~SEC. 24.~~

SEC. 31. Section 913.9 of the Public Utilities Code is repealed.

SEC. 32. Section 913.9 is added to the Public Utilities Code, to read:

913.9. (a) The commission shall require each participating electrical corporation to prepare and submit to the commission, by 60 days following the conclusion of all research and development projects, a joint report summarizing the outcome of all funded projects, including an accounting of expenditures by the project managers and grant recipients on administrative and overhead costs and whether the project resulted in any technological advancements or breakthroughs in promoting cyber security and grid integration. The commission shall, within 30 days of receiving the joint report, determine whether the report is sufficient or requires revision and, upon determining that the report is sufficient, submit the report to the Legislature.

1 (b) *This section shall remain in effect only until January 1, 2023,*
2 *and as of that date is repealed, unless a later enacted statute, that*
3 *is enacted before January 1, 2023, deletes or extends that date.*

4 ~~SEC. 25.~~

5 SEC. 33. Section 913.10 of the Public Utilities Code is amended
6 *and renumbered* to read:

7 ~~913.10.~~

8 913.6. (a) On or before February 1, 2010, and biennially
9 thereafter, the commission, in consultation with the Independent
10 System Operator and the Energy Commission, shall study and
11 submit a report to the Legislature and the Governor on the impacts
12 of distributed energy generation on the state's distribution and
13 transmission grid. The study shall evaluate all of the following:

14 (1) Reliability and transmission issues related to connecting
15 distributed energy generation to the local distribution networks
16 and regional grid.

17 (2) Issues related to grid reliability and operation, including
18 interconnection, and the position of federal and state regulators
19 toward distributed energy accessibility.

20 (3) The effect on overall grid operation of various distributed
21 energy generation sources.

22 (4) Barriers affecting the connection of distributed energy to
23 the state's grid.

24 (5) Emerging technologies related to distributed energy
25 generation interconnection.

26 (6) Interconnection issues that may arise for the Independent
27 System Operator and local distribution companies.

28 (7) The effect on peak demand for electricity.

29 (b) In addition, the commission shall specifically assess the
30 impacts of the California Solar Initiative program, specified in
31 Section 2851 and Section 25783 of the Public Resources Code,
32 the self-generation incentive program authorized by Section 379.6,
33 and the net energy metering program specified in Sections 2827
34 and 2827.1.

35 SEC. 34. *Section 913.10 is added to the Public Utilities Code,*
36 *to read:*

37 913.10. *By July 1, 2019, and every four years thereafter, the*
38 *commission shall report to the Legislature on the progress toward*
39 *achieving the targets established pursuant to subdivision (a) of*
40 *Section 454.55. The commission shall include specific strategies*

1 *for, and an update on, progress toward maximizing the contribution*
2 *of electricity efficiency savings in disadvantaged communities*
3 *identified pursuant to Section 39711 of the Health and Safety Code.*

4 ~~SEC. 26.~~

5 *SEC. 35.* Section 913.11 of the Public Utilities Code is repealed.

6 *SEC. 36.* Section 913.11 is added to the Public Utilities Code,
7 *to read:*

8 *913.11. By July 1, 2019, and every four years thereafter, the*
9 *commission shall report to the Legislature on the progress toward*
10 *achieving the targets established pursuant to subdivision (a) of*
11 *Section 454.56. The commission shall include specific strategies*
12 *for, and an update on, progress toward maximizing the contribution*
13 *of energy efficiency savings in disadvantaged communities*
14 *identified pursuant to Section 39711 of the Health and Safety Code.*

15 *SEC. 37.* Section 913.12 of the Public Utilities Code is amended
16 *and renumbered to read:*

17 ~~913.12.~~

18 *913.7.* On or before June 30 of each year, the commission shall
19 submit to the Legislature an assessment of the success of the
20 California Solar Initiative program. That assessment shall include
21 the number of residential and commercial sites that have installed
22 solar thermal devices for which an award was made pursuant to
23 subdivision (b) of Section 2851 and the dollar value of the award,
24 the number of residential and commercial sites that have installed
25 solar energy systems, the electrical generating capacity of the
26 installed solar energy systems, the cost of the program, total
27 electrical system benefits, including the effect on electrical service
28 rates, environmental benefits, how the program affects the
29 operation and reliability of the electrical grid, how the program
30 has affected peak demand for electricity, the progress made toward
31 reaching the goals of the program, whether the program is on
32 schedule to meet the program goals, and recommendations for
33 improving the program to meet its goals. If the commission
34 allocates additional moneys to research, development, and
35 demonstration that explores solar technologies and other distributed
36 generation technologies pursuant to paragraph (1) of subdivision
37 (c) of Section 2851, the commission shall include in the assessment
38 submitted to the Legislature, a description of the program, a
39 summary of each award made or project funded pursuant to the

1 program, including the intended purposes to be achieved by the
2 particular award or project, and the results of each award or project.

3 ~~SEC. 27.~~

4 ~~SEC. 38.~~ Section 913.13 of the Public Utilities Code is repealed.

5 ~~SEC. 28.~~ Section 913.14 is added to the Public Utilities Code,
6 to read:

7 ~~913.14.— On or before July 30, 2020, and by July 30 of every~~
8 ~~third year thereafter through 2029, the commission shall submit~~
9 ~~to the Legislature an assessment of the Multifamily Affordable~~
10 ~~Housing Solar Roofs Program. That assessment shall include the~~
11 ~~number of qualified multifamily affordable housing property sites~~
12 ~~that have a qualifying solar energy system for which an award was~~
13 ~~made pursuant to Chapter 9.5 (commencing with Section 2870)~~
14 ~~of Part 2 and the dollar value of the award, the electrical generating~~
15 ~~capacity of the qualifying renewable energy system, the bill~~
16 ~~reduction outcomes of the program for the participants, the cost~~
17 ~~of the program, the total electrical system benefits, the~~
18 ~~environmental benefits, the progress made toward reaching the~~
19 ~~goals of the program, the program's impact on the CARE program~~
20 ~~budget, and the recommendations for improving the program to~~
21 ~~meet its goals. The report shall include an analysis of pending~~
22 ~~program commitments, reservations, obligations, and projected~~
23 ~~demands for the program to determine whether future ongoing~~
24 ~~funding allocations for the program are substantiated. The report~~
25 ~~shall also include a summary of the other programs intended to~~
26 ~~benefit disadvantaged communities, including, but not limited to,~~
27 ~~the Single-Family Affordable Solar Homes Program, the~~
28 ~~Multifamily Affordable Solar Housing Program, and the Green~~
29 ~~Tariff Shared Renewables Program (Chapter 7.6 (commencing~~
30 ~~with Section 2831) of Part 2).~~

31 ~~SEC. 29.~~ Section 913.15 is added to the Public Utilities Code,
32 to read:

33 ~~913.15.— (a) The commission shall require each participating~~
34 ~~electrical corporation to prepare and submit to the commission,~~
35 ~~by 60 days following the conclusion of all research and~~
36 ~~development projects, a joint report summarizing the outcome of~~
37 ~~all funded projects, including an accounting of expenditures by~~
38 ~~the project managers and grant recipients on administrative and~~
39 ~~overhead costs and whether the project resulted in any~~
40 ~~technological advancements or breakthroughs in promoting cyber~~

1 security and grid integration. The commission shall, within 30
2 days of receiving the joint report, determine whether the report is
3 sufficient or requires revision and, upon determining that the report
4 is sufficient, submit the report to the Legislature in compliance
5 with Section 9795 of the Government Code.

6 ~~(b) This section shall remain in effect only until January 1, 2023,~~
7 ~~and as of that date is repealed, unless a later enacted statute, that~~
8 ~~is enacted before January 1, 2023, deletes or extends that date.~~

9 ~~SEC. 30.~~

10 *SEC. 39.* Section 914.3 of the Public Utilities Code is amended
11 to read:

12 914.3. By December 31 of each year, the commission shall
13 submit to the Governor and the Legislature a report that includes,
14 based on yearend data, on an aggregated basis, the information
15 submitted by holders pursuant to subdivision (b) of Section 5960.
16 All information reported by the commission pursuant to this section
17 shall be disclosed to the public only as provided for pursuant to
18 Section 583. No individually identifiable customer or subscriber
19 information shall be subject to public disclosure.

20 ~~SEC. 31.~~

21 *SEC. 40.* Section 918.1 of the Public Utilities Code is amended
22 to read:

23 918.1. (a) The commission shall hire an independent entity
24 for not more than two hundred fifty thousand dollars (\$250,000)
25 to, in consultation with carrier trade associations for industries
26 under the jurisdiction of the commission, assess the capabilities
27 of the commission's Transportation Enforcement Branch to carry
28 out the activities specified in subdivision (b) of Section 5102 and
29 subdivision (b) of Section 5352. The commission shall report to
30 the Legislature no later than February 1, 2017, on licensing matters
31 and no later than July 1, 2017, on enforcement matters. The report
32 shall contain an analysis of current capabilities and deficiencies,
33 and recommendations to overcome any deficiencies identified.

34 ~~(b) The report shall be submitted in compliance with Section~~
35 ~~9795 of the Government Code.~~

36 ~~(c)~~

37 *(b)* Pursuant to Section 10231.5 of the Government Code, this
38 section shall remain in effect only until January 1, 2021, and as of
39 that date is repealed, unless a later enacted statute, that is enacted
40 before January 1, 2021, deletes or extends that date.

1 ~~SEC. 32.~~

2 ~~SEC. 41.~~ Section 918.2 of the Public Utilities Code is repealed.

3 ~~SEC. 33.~~

4 ~~SEC. 42.~~ Section 956 of the Public Utilities Code is amended
5 to read:

6 956. (a) On or before July 1, 2012, the commission shall open
7 an appropriate proceeding or expand the scope of an existing
8 proceeding to establish compatible emergency response standards
9 that owners or operators of commission-regulated gas pipeline
10 facilities shall be required to follow for intrastate transmission and
11 distribution lines. The commission shall establish the standards to
12 ensure that intrastate transmission and distribution lines have
13 emergency response plans that adequately prepare them for a
14 natural disaster or malfunction that could cause injury to human
15 life or property, with the purpose of minimizing the occurrence of
16 both.

17 (b) The commission shall establish the compatible emergency
18 response standards in consultation with the California Emergency
19 Management Agency, the State Fire Marshal, and members of
20 California's first responder community including, but not limited
21 to, members of the California Fire Chiefs Association.

22 (c) The compatible emergency response standards shall require
23 owners or operators of intrastate transmission and distribution lines
24 to implement emergency response plans that are compatible with
25 the United States Department of Transportation, Pipeline and
26 Hazardous Materials Safety Administration's regulations
27 concerning emergency plans contained in Section 192.615 of Title
28 49 of the Code of Federal Regulations, and those plans shall
29 include, but not be limited to, all of the following requirements:

30 (1) Emergency shutdown and pressure reduction shall be utilized
31 whenever deemed necessary and appropriate by the owners or
32 operators to minimize hazards to life or property. An owner or
33 operator shall notify appropriate first responders of emergency
34 shutdown and pressure reduction.

35 (2) During an emergency response effort, the incident
36 commander may direct coordination between first responders and
37 owners or operators to ensure timely and ongoing communication
38 on decisions for emergency shutdown and pressure reduction.

39 (3) Owners or operators of intrastate transmission and
40 distribution lines shall establish and maintain liaison with

1 appropriate fire, police, and other public officials to do all of the
2 following:

3 (A) Learn the responsibility and resources of each government
4 organization that may respond to a gas pipeline emergency,
5 including, but not limited to, the role of the incident commander
6 in an emergency.

7 (B) Acquaint the officials with the owner's or operator's ability
8 in responding to a gas pipeline emergency.

9 (C) Identify the types of gas pipeline emergencies of which the
10 owner or operator notifies the officials.

11 (D) Plan how the owner or operator and officials can engage in
12 mutual assistance to minimize hazards to life or property.

13 (E) Identify and update information on individual personnel
14 responsible for the liaison with the appropriate first responder
15 organizations.

16 (4) Owners and operators of intrastate transmission lines shall
17 provide the State Fire Marshal and the chief fire official of the
18 applicable city, county, city and county, or fire protection district
19 with instructions on how to access and utilize the National Pipeline
20 Mapping System developed by the United States Department of
21 Transportation, Pipeline and Hazardous Materials Safety
22 Administration, utilizing data submitted pursuant to Section 60132
23 of Title 49 of the United States Code, to improve local response
24 capabilities for pipeline emergencies.

25 ~~SEC. 34.~~

26 *SEC. 43.* Section 958.5 of the Public Utilities Code is amended
27 to read:

28 958.5. (a) Twice a year, or as determined by the commission,
29 each gas corporation shall file with the division of the commission
30 responsible for utility safety a gas transmission and storage safety
31 report. The division of the commission responsible for utility safety
32 shall review the reports to monitor each gas corporation's storage
33 and pipeline-related activities to assess whether the projects that
34 have been identified as high risk are being carried out, and to track
35 whether the gas corporation is spending its allocated funds on these
36 storage and pipeline-related safety, reliability, and integrity
37 activities for which they have received approval from the
38 commission.

39 (b) The gas transmission and storage safety report shall include
40 a thorough description and explanation of the strategic planning

1 and decisionmaking approach used to determine and rank the gas
2 storage projects, intrastate transmission line safety, integrity, and
3 reliability, operation and maintenance activities, and inspections
4 of its intrastate transmission lines. If there has been no change in
5 the gas corporation's approach for determining and ranking which
6 projects and activities are prioritized since the previous gas
7 transmission and storage safety report, the subsequent report may
8 reference the immediately preceding report.

9 (c) If the division of the commission responsible for utility safety
10 determines that there is a deficiency in a gas corporation's
11 prioritization or administration of the storage or pipeline capital
12 projects or operation and maintenance activities, the division shall
13 bring the problems to the commission's immediate attention.

14 *SEC. 44. Section 1046 of the Public Utilities Code is amended*
15 *to read:*

16 1046. (a) For purposes of this section, the following terms
17 have the following meanings:

18 (1) "Bus" means a vehicle designed, used, or maintained for
19 carrying more than 10 persons, including the driver, which is used
20 to transport persons for compensation or profit.

21 (2) "Limousine" means any sedan or sport utility vehicle, of
22 either standard or extended length, with a seating capacity of not
23 more than 10 passengers including the driver, used in the
24 transportation of passengers for hire on a prearranged basis within
25 this state, and includes a modified limousine as defined in
26 *subdivision (d) of Section 1042.1. 1042.*

27 (3) "Peace officer" means a person who is designated as a peace
28 officer pursuant to Chapter 4.5 (commencing with Section 830)
29 of Title 3 of Part 2 of the Penal Code.

30 (b) A peace officer may, with respect to a passenger stage
31 corporation, enforce and assist in the enforcement of Sections 2110
32 and 2112, resulting from a violation of Section 1031, 1041, or
33 1045, or more than one of those sections. A peace officer may
34 additionally enforce and assist in the enforcement of Sections
35 1034.5 and 2119. In any case in which an arrest authorized by this
36 subdivision is made for an offense declared to be a misdemeanor,
37 and the person arrested does not demand to be taken before a
38 magistrate, the arresting peace officer may, instead of taking such
39 person before a magistrate, follow the procedure prescribed by
40 Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2

1 of the Penal Code. The provisions of that chapter shall thereafter
2 apply with reference to any proceeding based upon the issuance
3 of a citation pursuant to this authority.

4 (c) A peace officer may impound a bus or limousine operated
5 by a passenger stage corporation pursuant to Section 14602.9 of
6 the Vehicle Code if the peace officer determines that any of the
7 following violations occurred while the driver was operating the
8 vehicle:

9 (1) The driver was operating the bus or limousine when the
10 passenger stage corporation did not have a certificate of public
11 convenience and necessity issued by the commission as required
12 pursuant to this article.

13 (2) The driver was operating the bus or limousine when the
14 operating rights or certificate of public convenience and necessity
15 of a passenger stage corporation was suspended, canceled, or
16 revoked pursuant to Section 1033.5, 1033.7, or 1045.

17 (3) The driver was operating the bus or limousine without having
18 a current and valid driver's license of the proper class.

19 (d) The commission shall coordinate enforcement of this section
20 with those peace officers likely to be involved in enforcing this
21 section, including undertaking both of the following:

22 (1) Educational outreach to promote awareness among those
23 peace officers about the requirements of Sections 1031, 1034.5,
24 1041, 1045, 2110, 2112, and 2119.

25 (2) Establishing lines of communication so that the commission
26 is notified if an action is commenced to enforce the requirements
27 of those sections specified in subdivision (b), so that the
28 commission may take appropriate action to enforce the fine and
29 penalty provisions of Chapter 11 (commencing with Section 2100).

30 (e) The Legislature finds and declares that this section is
31 intended to facilitate and enhance the commission's performance
32 of its functions pursuant to Section 2101 and not diminish the
33 commission's authority or responsibility pursuant to that section.

34 (f) This section does not authorize the impoundment of privately
35 owned personal vehicles that are not common carriers nor the
36 impoundment of vehicles used in transportation for compensation
37 by charter-party carriers of passengers that are not required to carry
38 individual permits.

39 ~~SEC. 35.~~

40 *SEC. 45.* Section 2714.5 of the Public Utilities Code is repealed.

1 ~~SEC. 36.~~

2 *SEC. 46.* Section 2827.3 of the Public Utilities Code is repealed.

3 ~~SEC. 37.~~

4 *SEC. 47.* Section 2845 of the Public Utilities Code is repealed.

5 ~~SEC. 38.~~

6 *SEC. 48.* Section 2867.1 of the Public Utilities Code is repealed.

7 ~~SEC. 39.~~

8 *SEC. 49.* Section 2870 of the Public Utilities Code is amended
9 to read:

10 2870. (a) As used in this section, the following terms have the
11 following meanings:

12 (1) “CARE program” means the California Alternate Rates for
13 Energy program established pursuant to Section 739.1.

14 (2) “Program” means the Multifamily Affordable Housing Solar
15 Roofs Program established pursuant to this chapter.

16 (3) “Qualified multifamily affordable housing property” means
17 a multifamily residential building of at least five rental housing
18 units that is operated to provide deed-restricted low-income
19 residential housing, as defined in clause (i) of subparagraph (A)
20 of paragraph (3) of subdivision (a) of Section 2852, and that meets
21 one or more of the following requirements:

22 (A) The property is located in a disadvantaged community, as
23 identified by the California Environmental Protection Agency
24 pursuant to Section 39711 of the Health and Safety Code.

25 (B) At least 80 percent of the households have incomes at or
26 below 60 percent of the area median income, as defined in
27 subdivision (f) of Section 50052.5 of the Health and Safety Code.

28 (4) “Solar energy system” means a solar energy photovoltaic
29 device that meets or exceeds the eligibility criteria established
30 pursuant to Section 25782 of the Public Resources Code.

31 (b) (1) Adoption and implementation of the Multifamily
32 Affordable Housing Solar Roofs Program may count toward the
33 satisfaction of the commission’s obligation to ensure that specific
34 alternatives designed for growth among residential customers in
35 disadvantaged communities are offered as part of the standard
36 contract or tariff authorized pursuant to paragraph (1) of
37 subdivision (b) of Section 2827.1.

38 (2) Nothing in this section shall preclude electrical corporations
39 from offering and administering a distributed energy resource
40 program, including solar energy systems, in disadvantaged

1 communities offered under current or proposed programs using
2 funds provided under subdivision (c) of Section 748.5 or programs
3 proposed to comply with paragraph (1) of subdivision (b) as
4 approved by the commission.

5 (c) The commission shall annually authorize the allocation of
6 one hundred million dollars (\$100,000,000) or 10 percent of
7 available funds, whichever is less, from the revenues described in
8 subdivision (c) of Section 748.5 for the Multifamily Affordable
9 Housing Solar Roofs Program, beginning with the fiscal year
10 commencing July 1, 2016, and ending with the fiscal year ending
11 June 30, 2020. The commission shall continue authorizing the
12 allocation of these funds through June 30, 2026, if the commission
13 determines that revenues are available after 2020 and that there is
14 adequate interest and participation in the program.

15 (d) The commission shall consider the most appropriate program
16 administration structure, including administration by a qualified
17 third-party administrator, selected by the commission through a
18 competitive bidding process, or administration by an electrical
19 corporation, in an existing or future proceeding.

20 (e) Not more than 10 percent of the funds allocated to the
21 program shall be used for administration.

22 (f) (1) By June 30, 2017, the commission shall authorize the
23 award of monetary incentives for qualifying solar energy systems
24 that are installed on qualified multifamily affordable housing
25 properties through December 31, 2030. The target of the program
26 is to install a combined generating capacity of at least 300
27 megawatts on qualified properties.

28 (2) The commission shall require that the electricity generated
29 by qualifying renewable energy systems installed pursuant to the
30 program be primarily used to offset electricity usage by low-income
31 tenants. These requirements may include required covenants and
32 restrictions in deeds.

33 (3) The commission shall require that qualifying solar energy
34 systems owned by third-party owners are subject to contractual
35 restrictions to ensure that no additional costs for the system be
36 passed on to low-income tenants at the properties receiving
37 incentives pursuant to the program. The commission shall require
38 third-party owners of solar energy systems to provide ongoing
39 operations and maintenance of the system, monitor energy
40 production, and, where necessary, take appropriate action to ensure

1 that the kWh production levels projected for the system are
2 achieved throughout the period of the third-party agreement. Such
3 actions may include, but are not limited to, providing a performance
4 guarantee of annual production levels or taking corrective actions
5 to resolve underproduction problems.

6 (4) The commission shall ensure that incentive levels for
7 photovoltaic installations receiving incentives through the program
8 are aligned with the installation costs for solar energy systems in
9 affordable housing markets and take account of federal investment
10 tax credits and contributions from other sources to the extent
11 feasible.

12 (5) The commission shall require that no individual installation
13 receive incentives at a rate greater than 100 percent of the total
14 system installation costs.

15 (6) The commission shall establish local hiring requirements
16 for the program to provide economic development benefits to
17 disadvantaged communities.

18 (7) The commission shall establish energy efficiency
19 requirements that are equal to the energy efficiency requirements
20 established for the program described in Section 2852, including
21 participation in a federal, state, or utility-funded energy efficiency
22 program or documentation of a recent energy efficiency retrofit.

23 (g) (1) Low-income tenants who participate in the program
24 shall receive credits on utility bills from the program. The
25 commission shall ensure that utility bill reductions are achieved
26 through tariffs that allow for the allocation of credits, such as
27 virtual net metering tariffs designed for Multifamily Affordable
28 Solar Housing Program participants, or other tariffs that may be
29 adopted by the commission pursuant to Section 2827.1.

30 (2) The commission shall ensure that electrical corporation tariff
31 structures affecting the low-income tenants participating in the
32 program continue to provide a direct economic benefit from the
33 qualifying solar energy system.

34 (h) Nothing in this chapter is intended to supplant CARE
35 program rates as the primary mechanism for achieving the goals
36 of the CARE program.

37 (i) The commission shall determine the eligibility of qualified
38 multifamily affordable housing property tenants that are customers
39 of community choice aggregators.

(j) (1) Every three years, the commission shall evaluate the program's expenditures, commitments, uncommitted balances, future demands, performance, and outcomes and shall make any necessary adjustments to the program to ensure the goals of the program are being met. If, upon review, the commission finds there is insufficient participation in the program, the commission may credit uncommitted funds back to ratepayers pursuant to Section 748.5.

(2) As part of the annual workplan required pursuant to Section 910, the commission shall provide an annual update of the Multifamily Affordable Housing Solar Roofs Program that shall include, but not be limited to, the number of projects approved, number of projects completed, number of pending projects awaiting approval, and geographic distribution of the projects.

~~SEC. 40.~~

SEC. 50. Section 2872.5 of the Public Utilities Code is amended to read:

2872.5. The commission, in consultation with the Office of Emergency Services, shall open an investigative proceeding to determine whether standardized notification systems and protocol should be utilized by entities that are authorized to use automatic dialing-announcing devices pursuant to subdivision (e) of Section 2872, to facilitate notification of affected members of the public of local emergencies. The commission shall not establish standards for notification systems or standard notification protocol unless it determines that the benefits of the standards exceed the costs.

~~SEC. 41.~~

SEC. 51. Section 2892.1 of the Public Utilities Code is amended to read:

2892.1. (a) For purposes of this section, "telecommunications service" means voice communication provided by a telephone corporation as defined in Section 234, voice communication provided by a provider of satellite telephone services, voice communication provided by a provider of mobile telephony service, as defined in Section 2890.2, and voice communication provided by a commercially available facilities-based provider of voice communication services utilizing Voice over Internet Protocol or any successor protocol.

(b) The commission, in consultation with the Office of Emergency Services, shall open an investigative or other

1 appropriate proceeding to identify the need for telecommunications
2 service systems not on the customer's premises to have backup
3 electricity to enable telecommunications networks to function and
4 to enable the customer to contact a public safety answering point
5 operator during an electrical outage, to determine performance
6 criteria for backup systems, and to determine whether the best
7 practices recommended by the Network Reliability and
8 Interoperability Council in December 2005, for backup systems
9 have been implemented by telecommunications service providers
10 operating in California. If the commission determines it is in the
11 public interest, the commission shall, consistent with subdivisions
12 (c) and (d), develop and implement performance reliability
13 standards.

14 (c) The commission, in developing any standards pursuant to
15 the proceeding required by subdivision (b), shall consider current
16 best practices and technical feasibility for establishing battery
17 backup requirements.

18 (d) The commission shall not implement standards pursuant to
19 the proceeding required by subdivision (b) unless it determines
20 that the benefits of the standards exceed the costs.

21 (e) The commission shall determine the feasibility of the use of
22 zero greenhouse gas emission fuel cell systems to replace diesel
23 backup power systems.

24 ~~SEC. 42. Section 3368 of the Public Utilities Code is amended~~
25 ~~to read:~~

26 ~~3368. (a) The authority may provide financing for natural gas~~
27 ~~transportation or storage projects recommended to it by the~~
28 ~~commission. In recommending a project to the authority, the~~
29 ~~commission shall ensure that the project is in the public interest.~~

30 ~~(b) Nothing in this section prevents the commission from acting~~
31 ~~on its own authority to direct gas corporations within its jurisdiction~~
32 ~~to construct, or facilitate the construction or operation, by the~~
33 ~~owners or operators of pipelines not within the jurisdiction of the~~
34 ~~commission, of, natural gas transportation and storage facilities~~
35 ~~as the commission determines to be needed to provide adequate,~~
36 ~~seasonally reliable amounts of competitively priced natural gas to~~
37 ~~residential, commercial, and industrial customers, including, but~~
38 ~~not limited to, electric generating plants.~~

39 *SEC. 52. Section 3346 of the Public Utilities Code is repealed.*

1 3346. ~~The authority shall, on or before January 1 of each year,~~
2 ~~prepare and submit to the Governor, the Chairperson of the Joint~~
3 ~~Legislative Budget Committee, and the chairperson of the~~
4 ~~committee in each house that considers appropriations, a report~~
5 ~~regarding its activities and expenditures pursuant to this division.~~

6 ~~SEC. 53. Section 3368 of the Public Utilities Code is repealed.~~

7 ~~3368. (a) The commission, in consultation with the Energy~~
8 ~~Commission, shall prepare and submit to the authority and to the~~
9 ~~Legislature, within 90 days of the effective date of the act adding~~
10 ~~this section, a report on the present, planned, and required future~~
11 ~~capacity of the state's natural gas transportation and storage system~~
12 ~~to provide adequate, seasonally reliable amounts of competitively~~
13 ~~priced natural gas to residential, commercial, and industrial~~
14 ~~customers, including, but not limited to, electric generating plants.~~

15 ~~(b) The authority may provide financing for natural gas~~
16 ~~transportation or storage projects recommended to it by the~~
17 ~~commission. In recommending a project to the authority, the~~
18 ~~commission shall ensure that the project is in the public interest.~~

19 ~~(c) Nothing in this section prevents the commission from acting~~
20 ~~on its own authority to direct gas corporations within its jurisdiction~~
21 ~~to construct, or facilitate the construction or operation, by the~~
22 ~~owners or operators of pipelines not within the jurisdiction of the~~
23 ~~commission, of, natural gas transportation and storage facilities~~
24 ~~as the commission determines to be needed to provide adequate,~~
25 ~~seasonally reliable amounts of competitively priced natural gas to~~
26 ~~residential, commercial, and industrial customers, including, but~~
27 ~~not limited to, electric generating plants.~~

28 ~~SEC. 43.~~

29 ~~SEC. 54. Section 5371.4 of the Public Utilities Code is amended~~
30 ~~to read:~~

31 ~~5371.4. (a) The governing body of any city, county, or city~~
32 ~~and county may not impose a fee on charter-party carriers operating~~
33 ~~limousines. However, the governing body of any city, county, or~~
34 ~~city and county may impose a business license fee on, and may~~
35 ~~adopt and enforce any reasonable rules and regulations pertaining~~
36 ~~to operations within its boundaries for, any charter-party carrier~~
37 ~~domiciled or maintaining a business office within that city, county,~~
38 ~~or city and county.~~

39 ~~(b) The governing body of any airport may not impose vehicle~~
40 ~~safety, vehicle licensing, or insurance requirements on charter-party~~

1 carriers operating limousines that are more burdensome than those
2 imposed by the commission. However, the governing board of any
3 airport may require a charter-party carrier operating limousines to
4 obtain an airport permit for operating authority at the airport.

5 (c) Notwithstanding subdivisions (a) and (b), the governing
6 body of any airport may adopt and enforce reasonable and
7 nondiscriminatory local airport rules, regulations, and ordinances
8 pertaining to access, use of streets and roads, parking, traffic
9 control, passenger transfers, trip fees, and occupancy, and the use
10 of buildings and facilities, that are applicable to charter-party
11 carriers operating limousines on airport property.

12 (d) This section does not apply to any agreement entered into
13 pursuant to Sections 21690.5 to 21690.9, inclusive, between the
14 governing body of an airport and charter-party carriers operating
15 limousines.

16 (e) The governing body of any airport shall not impose a fee
17 based on gross receipts of charter-party carriers operating
18 limousines.

19 (f) Notwithstanding subdivisions (a) to (e), inclusive, nothing
20 in this section prohibits a city, county, city and county, or the
21 governing body of any airport, from adopting and enforcing
22 reasonable permit requirements, fees, rules, and regulations
23 applicable to charter-party carriers of passengers other than those
24 operating limousines.

25 (g) Notwithstanding subdivisions (a) to (e), inclusive, a city,
26 county, or city and county may impose reasonable rules for the
27 inspection of waybills of charter-party carriers of passengers
28 operating within the jurisdiction of the city, county, or city and
29 county, for purposes of verifying valid prearranged travel.

30 (h) For the purposes of this section, “limousine” includes any
31 sedan or sport utility vehicle, of either standard or extended length,
32 with a seating capacity of not more than 10 passengers including
33 the driver, used in the transportation of passengers for hire on a
34 prearranged basis within this state.

35 ~~SEC. 44.~~

36 *SEC. 55.* Section 5381.5 of the Public Utilities Code is amended
37 to read:

38 5381.5. (a) The commission shall, by rule or other appropriate
39 procedure, ensure that every charter-party carrier of passengers
40 operates on a prearranged basis within the state, consistent with

1 Section 5360.5. The commission shall require every charter-party
2 carrier of passengers to include on a waybill or trip report at least
3 all of the following:

4 (1) The name of at least one passenger in the traveling party,
5 or identifying information of the traveling party's affiliation, along
6 with the point of origin and destination of the passenger or traveling
7 party.

8 (2) Information as to whether the transportation was arranged
9 by telephone, written contract, or electronic communication.

10 (b) A waybill or trip report may be kept in electronic or hardcopy
11 format. When requested by any commission or airport enforcement
12 officer or any official of a city, county, or city and county
13 authorized to inspect a waybill or trip report pursuant to subdivision
14 (g) of Section 5371.4, the waybill or trip report may be provided
15 in either electronic or hardcopy format.

16 (c) A charter-party carrier of passengers shall produce in its
17 office a hardcopy of any waybill or trip report when requested by
18 the commission or one of its authorized representatives pursuant
19 to Section 5389.

20 *SEC. 56. Section 5436 of the Public Utilities Code is amended*
21 *and renumbered to read:*

22 ~~5436.~~

23 918.2. The commission and the Department of Insurance shall
24 collaborate on a study of transportation network company insurance
25 to assess whether coverage requirements are appropriate to the
26 risk of transportation network company services in order to
27 promote data-driven decisions on insurance requirements, and
28 shall report the findings of this study to the Legislature no later
29 than December 31, 2017.

30 ~~SEC. 45.~~

31 *SEC. 57. Section 7661 of the Public Utilities Code is amended*
32 *to read:*

33 7661. (a) The commission shall require every railroad
34 corporation operating in this state to develop, within 90 days of
35 the effective date of the act adding this section, in consultation
36 with, and with the approval of, the Office of Emergency Services,
37 a protocol for rapid communications with the Office of Emergency
38 Services, the Department of the California Highway Patrol, and
39 designated county public safety agencies in an endangered area if

1 there is a runaway train or any other uncontrolled train movement
2 that threatens public health and safety.

3 (b) A railroad corporation shall promptly notify the Office of
4 Emergency Services, the Department of the California Highway
5 Patrol, and designated county public safety agencies, through a
6 communication to the Warning Center of the Office of Emergency
7 Services, if there is a runaway train or any other uncontrolled train
8 movement that threatens public health and safety, in accordance
9 with the railroad corporation's communications protocol developed
10 pursuant to subdivision (a).

11 (c) The notification required pursuant to subdivision (b) shall
12 include the following information, whether or not an accident or
13 spill occurs:

14 (1) The information required by subdivision (c) of Section 7673.

15 (2) In the event of a runaway train, a train list.

16 (3) In the event of an uncontrolled train movement or
17 uncontrolled movement of railcars, a track list or other inventory
18 document if available.

19 (d) The division of the commission responsible for railroad
20 safety shall investigate any incident that results in a notification
21 required pursuant to subdivision (b).